

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 157 - SB 481

February 25, 2021

SUMMARY OF BILL: Extends, until June 30, 2049, the current allocation of state sales tax revenue to Metro Nashville, as it pertains to the Nashville Predators, for the exclusive use of its sports authority.

ESTIMATED FISCAL IMPACT:

**Forgone State Revenue – Exceeds \$5,000,000/FY28-29
Exceeds \$10,000,000/Each Year FY29-30 through FY48-49**

Other Fiscal Impact – Local revenue loss avoidance exceeding \$5,000,000 in FY28-29 and exceeding \$10,000,000 in each year FY29-30 through FY48-49 for Metro Nashville for the exclusive use of its sports authority.

Assumptions:

- Pursuant to Tenn. Code Ann. § 67-6-103(d)(1)(B) and Tenn. Code Ann. § 67-6-103(d)(2), the allocations of state sales tax collections would end 30 years from the date that the first game is played by the professional sports franchise in a municipality.
- The Nashville Predators first game was October 10, 1998; as a result, FY28-29 is the year that these allocations would be ending under current law.
- This first year impacted by this legislation will be FY28-29 which will be a partial year impact; the first full year impacted will be FY29-30.
- The average of the last five fiscal years of these state sales tax allocations is \$9,424,393. The exact amount of such revenue in future years is unknown but is assumed to increase over time.
- The proposed legislation will continue an allocation of state sales tax revenue to Metro Nashville for the exclusive use of its sports authority in the amounts estimated to exceed \$5,000,000 in FY28-29 and exceed \$10,000,000 in each year FY29-30 through FY48-49.
- Current budgetary levels will not be impacted as the majority of this revenue has never been retained by the state. Therefore, the impact of this legislation on state government revenue is considered forgone.
- The proposed legislation will continue the current longstanding allocation of revenue for Metro Nashville.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, slightly slanted style.

Bojan Savic, Interim Executive Director

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